

Massachusetts Emergency Management Agency
Reimbursement Policy

2016

I. Policy

MEMA shall make payments to sub-recipients on a reimbursement basis consistent with state grant regulations under 815 CMR 2.00 and federal regulations under 2 CFR 200, in addition to grant or program-specific requirements. Reimbursements to sub-recipients will be for allowable costs incurred within the sub-recipient contract period. All costs must be reasonable, allowable, allocable, and necessary in the accomplishment of the project or emergency management program objectives. Supplanting and dual compensation are not allowed (see below for definitions). Reimbursement back up must be source documentation sufficient to demonstrate that the sub-recipient has made full payment, that the expense complies with an approved application item, and that all goods or services were received or completed within the effective dates of the sub-recipient contract. Acceptance of payment by sub-recipients constitutes compliance with this policy and all sub-recipient responsibilities.

II. Definitions

Allowable Costs: Allowable costs are those that have been approved by MEMA as eligible, comply with all applicable regulation and guidance, and are supported by documentation.

Contract Effective Dates (Contract Period): The period corresponding to the stated Start and End Dates of an approved State Contract.

Source Documentation: Canceled checks, signed warrants, paid invoices, procurement history, and other original documentation sufficient to prove that costs incurred were allowable, were not incurred in violation of any regulations or policies, and are supported by appropriate financial and accounting records and systems.

Supplanting: The use of federal grant funds to replace existing local funds already appropriated or approved for the same purpose.

Dual Compensation: Payment for an employee of a unit of government from local funds AND from a federal award for the same hours worked.

Management and Administration (M+A): Tasks that are specifically associated with the management and administration of the grant program (e.g., development of reimbursement requests, development of close-out reports). M+A costs may be capped or not allowed under certain federal grants issued by MEMA.

III. Regulations

2 CFR 200 , *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*

815 CMR 2.00, *State Grants, Federal Grant Awards, Federal Subgrants and Subsidies*

Program Guidance and/or Program Regulations

IV. MEMA Requirements

Below are three key areas of guidance applicable to all reimbursement requests under MEMA grants.

1. **Documentation:** Documentation is the key to all reimbursements. Original documentation must be maintained by the sub-recipient for state and/or federal audit purposes. The three key conditions subrecipients must keep adhere to regarding documentation are:
 - i. **Allowable and Eligible:** Vendor invoices, employee time sheets, approved contracts, or other documentation that details the expense to a level sufficient to determine that the cost itself is eligible and that it was incurred in a method that makes it allowable.
 - ii. **Proof of Payment:** With the exception of Public Assistance Program Small Projects, MEMA grant programs are paid on a reimbursement basis. It must be clear from the documentation provided that the subrecipient has made payment for the requested amount and associated match from non-federal sources.
 - iii. **Dates of Service:** MEMA has no obligation and makes no commitment to reimburse for subrecipient costs incurred prior to or after the effective dates of a contract.
2. **Cost Compliance:** There are multiple levels of compliance requirements applicable to MEMA grants that must be met in order for reimbursement to be approved. Subrecipients are responsible for understanding and complying with these requirements throughout the life of the grant. Below are some common areas of cost compliance.
 - i. **Grant Guidance:** Each grant will come with specific guidance provided at the time of announcement/application.
 - ii. **2 CFR:** 2 CFR contains the federal regulations regarding allowability of costs under federal grants. Subpart E: Cost Principles provides detailed descriptions of costs and their allowability. Subrecipients should refer to this section and appendix often when analyzing costs for compliance.

iii. Procurement: The cost activity must be accomplished through procurement procedures that are compliant with both local and federal rules (2 CFR 200.318-326). Otherwise properly documented costs that were procured without meeting all procurement requirements may be considered unallowable for reimbursement.

3. Personnel: Charges to federal awards must be based on official subrecipient records that accurately reflect the work performed. To meet this requirement, subrecipients must:

- 1) Agree to maintain a system of internal controls which provides reasonable assurance that the charges made are accurate, allowable, and properly allocated.
- 2) Provide documentation such as individual's name, description of services conducted, timesheets, rosters, time and effort reports or other official subrecipient records that demonstrates eligibility for federal funding by:
 - a. Reasonably reflecting the total activity funded by federal dollars
 - b. Encompassing all activities for which employees were compensated (both federal and non-federal activities)
 - c. Reflecting the distribution of wages among specific activities (if more than one)
- 3) Provide records such as warrants, payroll reports, accounting records, canceled check, or other subrecipient documents which certify that:
 - a. Federal compensation activities and funding sources are incorporated into the subrecipients official records
 - b. Funded activities comply with the subrecipients pre-established accounting practices and procedures.

V Timing of Reimbursement Processing

For grant payments, MEMA pays the initial reimbursement request once processed (typically within 25 business days once received). Any additional reimbursement requests take 45 business days from the date the reimbursement request is received by MEMA for the Commonwealth to process and disperse funds. This time may be extended if MEMA has questions on the sub-recipient's reimbursement request.

VI Accelerated Reimbursement Request Process (for additional reimbursement requests after an initial request)

If an entity requests, and has a specific need, MEMA may waive the 45-day payment period for reimbursement requests.

VII Viewing Payments from MEMA

The Commonwealth makes all payments via EFT (electronic funds transfer). All communities may view payments made from the Commonwealth via the on-line Vendor Web, which may be found on the State Comptroller's website here:
<https://massfinance.state.ma.us/VendorWeb/vendor.asp?login=1>